

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2104**

April 10, 2018

The Honorable Alex M. Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Azar:

On behalf of the 28 Massachusetts hospitals participating in the 340B Drug Discount Program and their patients, I urge you to work with the hospitals and the neighborhoods they serve to strengthen and support this valuable program. Despite recent attempts to undermine the success and efficiency of the program, 340B providers continue to dispense life-saving medications that make our communities and our nation healthier and stronger. I ask you to reaffirm your commitment to protecting the current program.

At zero cost to taxpayers, this small program represents just one percent of the total U.S. drug market, but it makes all the difference for hospitals operating on the narrowest of margins. 340B hospitals provide more care to low-income patients; more uncompensated care; and more specialized care like HIV/AIDS, trauma, and outpatient substance use treatment than other hospitals. In rural communities, 340B hospitals provide specialized care like labor and delivery services that otherwise would not be available to patients; and 340B hospitals treat over 60 percent more low-income Medicare cancer patients than other hospitals. As you know, caring for these patients can be difficult, complicated, and costly. Yet, the 340B program makes it possible for participating hospitals to provide needed care while mitigating the cost to the government.

340B hospitals follow strict program guidelines, maintain auditable records documenting compliance, and must recertify annually. In 2015, the Health Services Resources Administration (HRSA) released proposed guidance to address the definition of an eligible patient as well as hospital eligibility criteria. Instead of using the comment period as an opportunity to improve the draft guidance, the current Administration issued a directive causing HRSA to rescind the guidance entirely, leaving covered hospitals to question the Administration's commitment to this highly successful program.<sup>1</sup>

---

<sup>1</sup> <https://www.gao.gov/products/GAO-17-749T>

340B hospitals have proven themselves to be efficient, effective, and an essential part of accessing care in rural and under-served communities. As the conversation regarding lower drug prices continues, I urge your full support for the 340B Drug Discount Program.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe Kennedy', with a stylized flourish at the end.

Joseph P. Kennedy, III  
Member of Congress